Summary of the June 24, 2002 System Leadership Council Meeting

The following members attended the June 24 meeting of the System Leadership Council:

Mary Ann Bergeron	Judy Dudley	James S. Reinhard, M.D.
H. Lynn Chenault	James L. Evans, M.D.	Frank L. Tetrick, III
Charline A. Davidson	Paul R. Gilding	James A. Thur
Gerald E. Deans	Larry L. Latham, Ph.D.	Joy Yeh, Ph.D.

Martha J. Mead also attended the meeting. With elections of new officers in the VACSB, Nita Grignol will replace Brent D. Frank and James R. Peterson will replace William J. Thomas on the Council, effective July 1, 2002. The Council accepted the summary of its last meeting.

1. FY 2003 State Pharmacy Shortfall

- Dr. Reinhard discussed the results of the last ad hoc pharmacy work group meeting in May and asked Dr. Evans to summarize the meeting. Participants in that meeting agreed take the eight points listed below to the Council for approval and dissemination of applicable information after the Council meeting. Subsequent to the June 24 Council meeting, the Department issued a memorandum on July 18 with much of this information in it.

- The Council discussed the state pharmacy shortfall extensively; this discussion took up most of the June 24 meeting. For the sake of clarity, that wide-ranging discussion is summarized below, using the framework of those eight points.

  Point 1: Set allocations or targets on the use of non-atypical medications and develop a monitoring process. The total resources available in FY 2003 for community medications from the state pharmacy amount to $18.7 million of state general funds (SGF) and $2.3 million of mental health federal block grant (FBG) funds. After the Council's meeting, the Virginia Department of Planning and Budget (DPB) authorized the Department to carry over $1.4 million of FY 2002 SGF to address the FY 2003 shortfall. Estimates of the possible FY 2003 state pharmacy shortfall for community consumers have ranged as high as $10 million.

  - Frank Tetrick noted that allocations or targets need to be linked to the amounts of medications provided by state facilities for discharged patients. Now, those amounts vary by facility from two to four weeks. Standardizing this amount could affect the amounts of medications ordered by CSBs.

  - James Thur identified the need for current state pharmacy usage information to make decisions and emphasized the need for a decision by the end of July. He stated the assumption of the CSBs that they had offered the $2.3 million of MH FBG funds as their contribution for the shortfall, with the expectation that the Department and DPB would provide at least as much through internal budget reallocations (including state facility resources) or a caboose budget amendment.

  - Joy Yeh responded that state government will start FY 2003 with extremely large revenue shortfalls, exceeding $100 million. She observed that there are no resources available for internal Department reallocation; the only additional resources will depend on appropriations by the General Assembly.

- James Thur stated that the pharmacy/medications situation is a life and death issue, not merely a quality of life issue, and it would be unconscionable to go below a certain level of resources. Dr. Reinhard indicated that DPB understood this.

- Paul Gilding suggested CSBs need two sets of numbers, actual atypical and non-atypical medications costs for FY 2002 and allocations of available funds for those medications in FY 2003, perhaps apportioned based on actual FY 2002 use.

- The Council agreed there are not sufficient resources to cover the entire state pharmacy shortfall in FY 2003, and it would not be possible to operate on last year's appropriation without adversely affecting consumers.

- Frank Tetrick noted that the following information needs to be identified:

    - amounts of currently available state pharmacy resources that each CSB could access, so each CSB could identify the impact of only that amount;
    - strategies to ameliorate that impact; and
    - the amount of additional resources needed to reduce but not eliminate the shortfall completely.

- James Thur stated that he thought the Department needed to commit to deficit fund part of the shortfall. Jerry Deans observed that, in order to gain DPB support for additional funds, some of the shortfall may need to be funded with existing resources (e.g. re-prioritizing use of current funds). One suggestion offered was to look at whether some existing community initiatives (e.g., the Assisted Living Facility Special Project) need to be continued or could those funds be shifted to help address the state pharmacy shortfall.

- Mary Ann Bergeron stated that CSBs are committed to trying to reduce costs, but that, at some point, the state would have to provide the rest of the state pharmacy's operating costs, as it always has. She and James Thur suggested that it might be possible for CSBs collectively to reduce state pharmacy costs by up to $2 million though implementation of the strategies in these eight points.

- The Council agreed that the Department needed to provide the following information for each CSB to all CSBs as soon as possible (by June 28, if possible).

    - actual FY 2002 atypical and non-atypical medications expenses, including Region 5 pilot project and Richmond Behavioral Health Authority expenses;
    - prorated FY 2003 allocations of available funds (actual state pharmacy appropriations and other available funds, such as the FBG funds); and
    - FY 2003 allocations of additional funds that would reduce the projected shortfall to a mid-point amount, perhaps 20 percent of the deficit amount or approximately $4 to $5 million more than current appropriations.

- Lynn Chenault raised a concern about how much of the shortfall was related to price increases, which are beyond the control of the Department or the CSBs.

Point 2: Accept the eligibility criteria for state pharmacy medications recommended by the VACSB. The Council adopted the proposed eligibility criteria, summarized below.

- Existing consumers would be continued on their current medications, when this is clinically appropriate.

- New consumers would be eligible for state pharmacy medications if they met all of the following criteria:

  - they have a diagnosis of serious mental illness or serious emotional disturbance or are at risk of serious emotional disturbance, and
  - they had been patients in state facilities or had been diverted from state facilities using public funds, and
  - they do not have prescription pharmacy benefits, and
  - their income is less than 200 percent of the federal poverty level.

Point 3: Require CSBs to use Med-saver programs and pharmaceutical indigent care programs and to maximize the use of medication samples.

- Frank Tetrick suggested that the plan for addressing the state pharmacy shortfall, needed to support any request for additional funds in the 2003 General Assembly, should include the expectation that CSBs be able to demonstrate their use of these alternatives and should require a plan from each CSB for doing this.

- James Thur recommended that the Department or the VACSB disseminate information about CSBs that have been successful in using Med-saver and indigent care programs and in maximizing use of medications samples. Mary Ann Bergeron said that the VACSB would cover this as an institute at its Fall Conference.

Point 4: Disseminate information about the state pharmacy shortfall, specific drug costs, etc., to CSB Executive Directors, MH Directors, and Medical Directors or medical staff in the hope of influencing prescribing practices. The Council agreed that information should be circulated as soon as possible.

- Dr. Reinhard agreed to send a memorandum to CSB Executive Directors transmitting a letter from him to prescribing physicians about the state pharmacy shortfall and the medications protocols.

- Frank Tetrick indicated that George Pratt will discuss engaging CSB physicians about these issues at the VACSB Executive Directors Forum meeting on July 23.

- The Council discussed the Department and the VACSB surveying CSBs to identify the number and names of community physicians. Mary Ann Bergeron agreed to do this with help from the Department, and she agreed that the Department could inform David Zeigler that the VACSB would be conducting this survey.

- James Thur suggested that the issue of whether each CSB should be required to have a medical director needs to be addressed, given the importance of medications.

- Dr. Reinhard informed the Council that the Virginia Association of Community Psychiatrists wants to discuss the role of community psychiatrists with the Council, and he suggested such a meeting might be helpful in addressing this point.

Point 5: Adopt an atypical medications protocol that includes drug cost as a factor and continue developing a protocol for non-atypical medications.

- Dr. Evans reported that the state pharmacy clinical work group had recommended using the Texas algorithm with a parallelogram considering cost at the top and the Dorothea Dix Hospital Guidelines for Atypical Anti-psychotic Use (distributed at the May 1 Council meeting).

- James Thur expressed a need for additional more specific recommendations, for example addressing preauthorization for certain medications. Dr. Evans reported that the clinical work group discussed preauthorization but did not indicate support for it as a group. Dr. Reinhard raised a concern about how medications would be preauthorized at CSBs that had no medical director.

- The Council agreed that representatives of the ad hoc state pharmacy work group should develop prescribing protocols for atypical and non-atypical medications and other (non-psychotropic) medications and send these protocols to CSBs and state facilities by the end of July for comments and suggestions (e.g., how protocols should be implemented).

- Clinical subgroup representatives would identify preferred drugs in classes of medications. Administrative subgroup representatives would identify preauthorization mechanisms for using other than preferred medications. Any protocols should grandfather medications for current consumers and address the use of generic medications.

- The Council also agreed on the importance of and need for educating physicians about the protocols and the information in point 4.

Point 6: Continue to review the issue of co-payments for state pharmacy medications.

- The Council agreed that, as part of a comprehensive plan for addressing pharmacy issues, every CSB needs to set a locally-determined co-payment amount that reflects a state wide minimum (floor) amount. Certain types of medications (e.g., generic) should be excluded from the co-pay requirement.

- The Council also agreed that every CSB should provide information about its co-payment requirements to the administrative subgroup of the ad hoc state pharmacy work group by the end of July, 2002.

Point 7: Continue to discuss the amount of drugs provided upon discharge from a state facility - two weeks and one month? Dr. Evans noted the work group split along CSB and state facility lines on this issue; hence the lack of a specific recommendation.

- Dr. Reinhard suggested providing three weeks of medications for all discharged patients (acute and extended rehabilitation), but allowing an option, on a case-by-case basis, of providing one week of medications to the patient and two weeks to the CSB, when clinically indicated (e.g., where state facility doctors who have concerns about giving patients larger amounts of medications) after consultation with CSB or contracted medical staff. The Council adopted this recommendation.

- The Council identified several issues that need to be addressed over the next year.

    - There are some long (up to seven weeks) prescription renewals with state facility physician signatures on them.
    - A decision needs to be made about whether the pharmacy will provide medications for patients returned to jail, since this is a jail responsibility.
    - Maximizing the use of Medicaid coverage by CSBs to reduce medication costs needs to be encouraged and monitored over the next year. Mary Ann Bergeron suggested looking at the Hampton-Newport News CSB Medicaid project, which substantially increased Medicaid coverage for its consumers. While it was administratively burdensome, this project has the potential to bring more Medicaid resources into the services system.
    - There needs to be more follow up with discharged patients, not just within seven days but also on an ongoing basis to ensure that medications are not being wasted. For example, consider unit-dose rather than bulk dispensing.

Point 8: Disband the larger pharmacy group chaired by Dr. Evans. There appeared to be some confusion about the number of groups addressing the state pharmacy issue.

- The original large pharmacy work group broke into two smaller groups, a clinical work group chaired by Dr. Evans and an administrative group chaired by George Pratt. These two smaller groups were supposed to report back to the larger work group with recommendations.

- Subsequently, the Council established a small ad hoc work group in May, because of the time-critical nature of some pharmacy issues. Members included Dr. Reinhard, Raymond Ratke, Dr. Evans, James Thur, and Frank Tetrick. After one meeting, this ad hoc work group expanded to include Joy Yeh, several CSB and state facility medical directors, and John Lindstrom from the VACSB Mental Health Council. This ad hoc work group decided to continue for purposes of managing the issue and suggested that technical issues (e.g., prescription algorithms) could be handled by the original large state pharmacy work group.

- Mary Ann Bergeron expressed a concern about disbanding the large pharmacy group, since it was established to examine larger public policy issues. Another concern involved other stakeholder participation. Advocacy groups, such as NAMI-Virginia, were members of the original large state pharmacy work group, but they are not on the ad hoc work group. James Thur noted that pharmacy issues are among

the most important that the system has to address. He stated that any group dealing with pharmacy issues must have official standing and include all stakeholders.

- The Council agreed that the expanded ad hoc work group, which met in May, should replace the original large state pharmacy work group; that it should be enlarged to include representatives from the DPB and NAMI-Virginia; and that Dr. Reinhard should chair it. The clinical and administrative subgroup structure of the original large state pharmacy work group should be retained. This new work group should be asked to develop a work plan and to report to the Council periodically.

- Dr. Reinhard agreed to distribute a memorandum about the restructuring of the large state pharmacy work group.

Given the very lengthy discussion about the state pharmacy, the Council covered most of the remaining agenda items quickly and in a summary fashion.

2. FY 2004 Performance Contract Negotiations

- The Council agreed that the Virginia Association of Community Services Boards/Virginia Association of Local Human Services Officials Performance Contract Work Group, which has negotiated the contract with the Department for several years, should be used to develop the FY 2004 contract. The Work Group is scheduled to meet on July 30.

- Dr. Reinhard asked if it made sense to use a facilitator, since the goal for the FY 2004 contract is a thorough reconsideration and possible redesign of the contract from a virtual blank slate, rather than merely editing and revising the existing contract document. James Thur responded that he did not think an outside facilitator was needed, since the Work Group seemed to work very well together.

- Mary Ann Bergeron suggested asking Work Group members to let Dr. Reinhard know if a facilitator would be helpful. She suggested Douglas Varney, CEO of Frontier Health Services (Planning District I CSB's contractor), as a possible facilitator, if one is needed.

- Dr. Reinhard indicated that Ray Ratke, Paul Gilding, and he would discuss this further.

3. Potential FY 2003 Performance Contract Amendments (POIS reporting requirements)

4. FY 2003 Performance Contract Employment Performance Measure: The Council suggested that the Department bring concrete proposals for both of these items to the July 30 VACSB/ VALHSO Performance Contract Work Group meeting. Paul Gilding agreed to do so.

5. Restructuring Planning Process (HB 955)

- Dr. Reinhard informed the Council that the Department was sending a decision brief to the Governor on restructuring that outlines a grassroots process. The process would begin with a statewide partnership conference in September or October, which the Governor might attend, followed by a series of regional planning groups. These planning groups are not the consensus and planning teams in HB 995. It is important to note that this does not start the HB 995 process. The decision brief defines restructuring to include utilization review and forensic review activities, which might affect census at some facilities but not

trigger the HB 995 consensus and planning team process.

- These regional planning groups would assess the region's readiness for restructuring, consider the viability of facility closures and other uses for facilities, and develop regional proposals that could be included in the Governor's budget. These activities would occur between October, 2002 and May, 2003. This might lead to HB 995 activities for a particular state facility. Judy Dudley suggested the Department touch base with PAIR.

- There would be a second partnership conference in May, 2003 to review the results of the regional planning activities.

6. Overview of Legislative Studies: Martha Mead distributed a summary of 2002 studies involving the Department to Council members. Mary Ann Bergeron mentioned the VACSB Activity Matrix, available on the VACSB web site, which lists all of the studies and the CSB representatives or participants.

7. New FY 2004 MH and SA Federal Block Grant Performance Partnership Reporting Requirements: Paul Gilding informed the Council that Department staff were working with the VACSB Data Management Committee on addressing these new requirements, which become fully effective in FY 2004.

8. Report on Medical Assessments Work Group and Pre-admission Medical Clearance with State Facility Medical Directors

- Dr. Evans described his meeting with state facility medical directors, in which this issue was discussed. One medical director suggested that CSB prescreeners talk with the state facility medical officer on duty (MOD) as part of the admission to state facilities process. He noted this was particularly important in southwest Virginia.

- Jerry Deans told the Council that he had talked with the Southwestern Virginia Mental Health Board about this issue at its last meeting. He noted that there still appeared to be some tensions with sheriffs. CSBs that use SWVMHI have agreed to use a log form that tracks time for each step in the prescreening process. This effort goes beyond the initial contact with the state facility to identify which consumers need to be medically screened.

- Reportedly, these issues appear to be of concern only in southwestern Virginia.

9. DMHMRSAS Strategic Planning Process

- Dr. Reinhard described the Department's internal strategic planning process. Senior management has met twice (May and June). Initially, that group focused on the mission statement. It has produced a revised statement, engaged in team building activities, and examined the Central Office's vision and values.

- Charline Davidson told the Council that the Department would be asking key stakeholders to identify Central Office strengths, weaknesses, areas for improvement and change, and the opportunities, challenges, and threats to successfully meeting those responsibilities. Stakeholders will be asked to provide feedback within one month. Senior management will use this feedback in its next meeting in August or September for its SWOT analysis.

- James Thur suggested that the Department circulate the results of this strategic planning process to the Council, and Dr. Reinhard agreed to do so.

10. Transfer of Case Management Responsibility for MR Waiver Consumers: Mary Ann Bergeron noted that the VACSB had developed such protocols several years ago, and the VACSB Mental Retardation Council is meeting with Martha Adams to revise them, so that the protocols can be disseminated.

11. Replacement of PRAIS

- Joy Yeh indicated that the replacement of the Department's automated Patient and Resident Information System (PRAIS), which is being driven to a large extent by HIPAA requirements, represents an "unfunded" mandate.

- The replacement is estimated to take 15 months to complete (by October 1, 2003) and to cost about $2.5 million in the first year and about $350,000 annually thereafter. She noted that half of the Department's information technology staff will be working on the PRAIS replacement, which may impact other IT activities. Finally, she informed the Council that the Department was in the final stages of selecting a vendor

12. Update on Status of New Licensing Regulations

- Paul Gilding relayed Julie Stanley's status report. The new licensing regulations became final on June 19 and will become effective on September 19, 2002. She expressed her appreciation for everyone's work on the regulations.

- There will be eight one-day regional training sessions on the regulations in August. More information will be forthcoming about the training in early July. She indicated that anyone should feel free to call Leslie Anderson, the Department's Licensing Director, or herself if they have any questions about the regulations.

- Mary Ann Bergeron told the Council that Leslie Anderson and her staff were very helpful throughout the process. She suggested that there would have been less misunderstanding if, once the exposure draft of the regulations was final but before it went to the State Board, CSBs could have had an opportunity to review it so that potential issues could have been resolved before the State Board acted on the draft.

- James Thur raised concerns about how the Department was going to license case management. He indicated this was a major concern in the field and that it would be helpful if the Department could let providers know as soon as possible. Mary Ann Bergeron offered the VACSB licensing review group to work with the Department on this.

- Frank Tetrick noted that case management services have been well-established for many years and, at least Medicaid targeted case management, are closely scrutinized by the Department of Medical Assistance Services. He expressed the hope that the Department would minimize the paperwork and administrative burden for licensing this service.

13. HIPAA Update: Charline Davidson informed the Council that the next joint meeting of the Department and VACSB HIPAA Committees will be on July 11 at the Henrico Area CSB.

14. Access and Alternatives (formerly Bed Shortage) Work Group

- Dr. Evans discussed the last meeting of this Work Group on April 27. Work group members exchanged points of view and decided to meet again on June 27 to present and discuss information about bed use. This includes bed occupancy rates by region, using VHI information, by month and by day of the week. This information also will be useful for identifying the need for other services that could stabilize the use and demand for local inpatient psychiatric beds.

- The Work Group will schedule another meeting in July to continue its June 27 discussions, and it will meet in August to begin developing its SJR 94 recommendations.

- James Thur expressed a concern that he is the designated representative from Northern Virginia, yet he was not informed of the June 27 meeting.

15. CSB Responsibility for Misdemeanant NGRI Patients on Conditional Release

- Dr. Evans informed the Council that the Department will have to discharge misdemeanant not guilty by reason of insanity (NGRI) patients in September, as a result of legislation enacted by the last General Assembly, unless they can be civilly committed. Therefore, state facilities and CSBs need to focus on discharge planning well in advance of this date. He indicated that about 35 patients will be affected, and the Department estimates that half of them will need to be discharged.

- Mary Ann Bergeron indicated that this was already an issue in two regions. CSBs are being held responsible for treatment plans for which there are no funds available. She noted that the VACSB Mental Health Council is very concerned and wants to work on this issue. She named David Poe (Piedmont Community Services) and Lisa Madron (Prince William County CSB) as possible contacts. Jerry Deans responded that Dr. James Morris, the Department's Director of Forensic Services, will contact them.

16. Discharge Protocol Review

- Jerry Deans informed the Council that Department staff had met internally about the review and believed that most concerns involved fine-tuning the protocols. It appeared that a major concern involved discharge planning requirements for MR training center residents when there are no resources for additional Medicaid MR Waiver slots, which are needed for their return to the community.

- Mary Ann Bergeron noted that the VACSB Child and Family Services Task Force was particularly concerned about the protocols. In response to a question, she indicated that she was not sure if the mental health work group that developed the protocols included representatives from this task force.

17. SAPT Peer Review Process: Dr. Reinhard notified the Council that, based on feedback from the Auditor of Public Accounts and SAMHSA, the Department has decided it needs to develop a separate peer review process to meet the federal block grant requirements, rather than relying on CARF accreditation.

18. Share Card Program

- Jerry Deans distributed handouts explaining Pfizer's public awareness and enrollment plan for it Share Card, a prescription benefit program for Medicare recipients with incomes of $18,000 ($24,000 per couple) or less.

- The Secretary of Health and Human Resources is developing a public awareness program and has asked the Department and CSBs to inform consumers. Meagan Owen (804-225-3545) is the contact person in the Secretary's office. No state funds are involved. Enrollment packages will be distributed after a media awareness campaign.

19. MR/MI Initiative

- Jerry Deans discussed the recent meeting with Robert Fletcher, M.D., director of the national dually-diagnosed association, about this population. Dr. Fletcher discussed best practices around the United States. The next meeting of this group will be July 11.

- Jerry Deans told the Council that the Department has decided to establish a regionally representative steering committee to look at establishing regional committees that would review MR protocols, identify best practices, and engage in regional planning and problem solving. He noted that this will require a sustained effort, and the Department is committed to supporting this activity as a Central Office/regional partnership.

- Jerry Deans informed the Council that the Department will be sponsoring regional best practices conferences next spring. He noted that the National Association of State Mental Health Program Directors is interested in supporting this activity.

- Charline Davidson reported that there was a sense in the meeting that Virginia was further along than many other states in addressing the needs of this population. Two ideas that came out of this first meeting were to offer training grants to the regional planning groups and to establish regional teams to problem solve before involving the Central Office.

20. Supreme Court MR Death Penalty Decision: Larry Latham raised a concern about the recent decision related to the destruction of the school records for many special education graduates after five years, unless their families retain those records. Those records may be necessary in establishing whether a defendant has mental retardation. He suggested asking the General Assembly to require school divisions to retain these records.

21. DMAS Transportation

- Mary Ann Bergeron noted that DMAS has to deal with a $10 million budget cut, and the VACSB has proposed carving out transportation for consumers receiving State Plan Option and MR Waiver services so that CSBs could manage the benefit. She noted this would not include HMO-managed transportation and indicated that the VACSB projected $1.1 million of savings.

- Mary Ann Bergeron informed the Council that DMAS transportation vendors are anticipating a $500,000 per month reduction beginning July 1 for mental health and mental retardation consumers. She indicated that the vendors are suggesting block grants to CSBs as an alternative.

- James Thur observed that Medicaid transportation is our second biggest issue, after medications, with a very high potential for adverse publicity.

22. Part C Contracts: James Thur raised a concern about a CSB not signing its Part C contract for FY 2003. He is concerned that other CSBs might refuse to sign and offered to help the Central Office deal with this issue.

23. **Next Meeting:** The Council set its next meeting for August 2 at 10:00 a.m., tentatively at the Henrico Mental Health Center.